PRODUCTIVITY

Audit Program completed three income tax audits and parts of three other income tax audits through January 31, 2015 for the fiscal year end of June 2015. The Audit Program also completed three sales tax audits and parts of eight other sales tax audits for the same period. There are 21 income and 38 sales tax audits in progress. Although several income and sales tax cases have taken longer than we expected we are making good progress in completing those cases.

The MTC Audit Program has proposed assessments of $4,358,708 for income tax and $4,260,196 for sales tax through January 31, 2015 for the fiscal year end of June 2015. One of the completed audits for income tax actually resulted in tax refunds of $4,793,099, due to unclaimed research and development credits and payroll factor adjustments. In discussion with those states, it was decided to incorporate those credits in our audit to alleviate the burden on the taxpayer of having to file refund claims.

STAFFING

With the addition of Iowa, Pennsylvania and Rhode Island to the audit program, we decided to fill another income tax auditor position. The position has been advertised and we are in the process of reviewing resumes. We expect to fill the position in April, 2015.

OFFICE RELOCATION

We are in the process of moving the Chicago office. This move is predicated on many factors. The lease is up in the current office and there is no need for us to pay the additional rent that downtown Chicago brings. We will be moving from 223 West Jackson Boulevard, Chicago to 2800 River Road, Des Plaines.
AUDIT COMMITTEE

The Audit Committee met in Nashville, Tennessee on December 10, 2014. Welcome to Frank Hales as the new audit committee chair and Lee Baerlocher as the new vice-chair of the committee.

TRAINING

Harold Jennings and Bob Schauer will be conducting a statistical sampling class for sales and use tax April 13, 2015, in St. Paul, Minnesota. Jeff Silver and Cathy Felix will be conducting a corporate income tax training session April 20, in Salem, Oregon. The MTC audit program will have a training session for all staff in Chicago, the week of May 11th.